

JAMES E. AND MARY E. GROHOSKI

IBLA 79-201

Decided September 19, 1979

Appeal from decision of the Wyoming State Office, Bureau of Land Management, holding noncompetitive oil and gas lease W-14343-E to have expired at the end of its primary term.

Affirmed.

1. Oil and Gas Leases: Generally -- Oil and Gas Leases: Extensions --
Oil and Gas Leases: Noncompetitive Leases

Noncompetitive oil and gas leases are issued for a primary term of 10 years. Unless one of the statutory grounds for extension is established, such leases expire by operation of law at the end of their primary term.

APPEARANCES: Mary E. Grohoski for appellants.

OPINION BY ADMINISTRATIVE JUDGE THOMPSON

James E. and Mary E. Grohoski appeal from the January 9, 1979, decision of the Wyoming State Office, Bureau of Land Management (BLM), holding noncompetitive oil and gas lease W-14343-E to have expired at the end of its primary term, August 31, 1978.

On August 22, 1978, BLM informed appellants that the lease would expire automatically on August 31, 1978, unless it was eligible for an extension. On December 27, 1978, U.S. Geological Survey informed BLM that there was no activity on the lease to make it eligible for an extension. On appeal, appellants state only that they would like a 10-year extension, that they have made an investment in the lease, and that in light of the energy shortage it seems foolish to terminate the lease.

[1] Since September 2, 1960, noncompetitive oil and gas leases are issued for a primary term of 10 years. 30 U.S.C. § 226(e). Unless one of the statutory grounds for extension is established, such leases expire by operation of law at the end of the primary term. A

lease is extended by production on the leasehold of oil or gas in paying quantities. Without such production, to be eligible for extension there must be actual drilling operations either on the leased land or under an approved cooperative or unit plan, commenced prior to the end of the primary term and being diligently prosecuted. 30 U.S.C. § 226(e) (1976); 43 CFR 3107.2-3, 3110.1-1; Erma M. Grath, 37 IBLA 224 (1978); Duncan Miller, 37 IBLA 129 (1978); Rio Blanco Natural Gas Company, 30 IBLA 191, 84 I.D. 198 (1977); Rajac Industries, 26 IBLA 202 (1976); D. L. Cook, 20 IBLA 315 (1975). There may also be an extension for 2 years under certain circumstances where a lease is segregated by a partial assignment. 30 U.S.C. § 187a (1976).

Appellants have offered no evidence showing that any of the legal grounds for extending a lease exist. This Department has no authority to extend a lease except with statutory authorization. Therefore, based on the record, lease W-14343-E expired by operation of law August 31, 1978.

Accordingly, pursuant to the authority delegated to the Board of Land Appeals by the Secretary of the Interior, 43 CFR 4.1, the decision appealed from is affirmed.

Joan B. Thompson
Administrative Judge

We concur:

Newton Frishberg
Chief Administrative Judge

Joseph W. Goss
Administrative Judge

